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Forests

SERVICE PLAN

2003/04 – 2005/06

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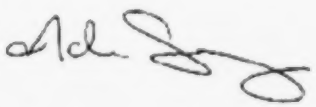
Accountability Statement

The 2003/04 – 2005/06 Ministry of Forests Service Plan was prepared under my direction in accordance with the *Budget Transparency and Accountability Act*. I am accountable for the basis on which the plan has been prepared. The plan was developed in the context of the government's *New Era* commitments, which are to be addressed by May 17, 2005. All material fiscal assumptions and policy decision as of January 31, 2003 have been considered in preparing the plan and I am accountable for achieving the specific objectives in the plan.



Honourable Michael de Jong
Minister of Forests

January 31, 2003

BRITISH COLUMBIA

Ministry of Forests

Last year's introduction of the *Forest and Range Practices Act* represented a significant milestone in this government's efforts to revitalize the forest sector and, with it, British Columbia's economy.

The new Act provides for high environmental standards and for government to strongly enforce those standards. And by reducing unnecessary regulations and shifting the focus from paperwork to protection, the Act will also allow industry to operate more efficiently and cost-effectively.

The new Act is a hugely important part of our plan to build a leading-edge, globally competitive forest industry, but it's not the only part. And that's why, this year, we'll move forward on many other initiatives to strengthen the forest sector — plans that, over the longer-term, will help maintain jobs and generate revenue to support priorities such as health care and education.

Meeting our goals will require profound, fundamental change to the province's forest policy framework. And they will require considerable work and commitment on the part of everybody, including ministry staff.

I've said before that these changes will not be easy in the short term. But I am committed to working with stakeholders to ensure that, over the longer term, they are successfully implemented, and that they benefit those who own 95 per cent of British Columbia's forests: the people of B.C.

Honourable Michael de Jong
Minister

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Strategic Context

Ministry Overview

Since its establishment in 1912 as the Forests Branch, the Ministry of Forests (also known as the Forest Service) has continued to protect the public's interest and provide leadership in the protection, management and use of the province's forest and rangelands.

The Forest Service is the main agency responsible for the stewardship of 47 million hectares of provincial forestland. In addition, the ministry provides fire protection services for 84 million hectares. Managing these provincial forests presents a unique and complex set of challenges. More than 90 per cent of BC's forest lands are publicly owned, which means that the provincial government, on behalf of the public, plays a much more prominent role in the forest sector than its counterparts in other forestry jurisdictions.

The broad extent of B.C.'s forest lands also means that forestry is a significant contributor to the province's overall economic health. Of the province's 63 regional economic areas, 41% rely on forestry as their principal source of income[1]. The forest sector is estimated to account for 22% of total provincial employment and nearly 25% of provincial gross domestic product[2].

The ministry pursues its goals for sustainable forest resources and benefits in a consultative manner with the public, industry, and other Crown agencies, while recognizing the unique interests of aboriginal people.

- The protection of Crown forest and range assets and infrastructure, and the assistance given to rural communities to combat wildland fire, requires a coordinated and consultative approach by the ministry with a great many stakeholders. These include the oil and gas community, First Nations, guide outfitters, cattle and range associations, local and regional governments as well as the forest industry and the general public.
- The ministry works with thousands of license tenure holders each year, ranging from small area or volume based holdings (e.g., woodlots or timber sale licences) to large major licences (e.g., forest licences or Tree Farm Licences). In addition there are over 2,500 individuals and corporations registered as BC Timber Sales Enterprises (formerly known as Small Business Forest Enterprises).

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[1] Source; British Columbia Local Area Economic Dependencies and Impact Ratios — 1996. BC Stats. Ministry of Finance and Corporate Relations. May 1999.

[2] Source: Taking Stock: The Anatomy of B.C.'s Economy. The Fundamental Driving Forces in the Provincial Economy. The Vancouver Board of Trade. November 30, 2001.

- More than 1,800 range licence and permit holders for grazing and hay cutting held by members of the ranching industry, guide outfitters and commercial recreation operators are involved with the ministry in crown range management.
- The ministry consults with First Nations regarding forest management activities on Crown land. In addition MOF supports government's objectives of establishing working relationships with First Nations by negotiating interim measures and economic measures agreements with First Nations and supporting the Treaty Negotiations Office.
- The ministry maintains key partnerships with the Ministry of Sustainable Resources Management, for co-operation on land-use planning and land and resource information gathering, and with Ministry of Water, Land and Air Protection, for coordinating resource protection and management of habitat and riparian areas.
- Partnerships with local governments, recreation groups, First Nations, forest companies and others are also expanding as the ministry pursues partnership agreements for the management of over 1,800 Forest Service Recreation sites and trails.

This consultative and partnership approach to forest management, seeks to earn the public's trust as our staff protect and manage the province's forest and range resources, to ensure that all British Columbians can look forward to healthy forests and a strong forest economy now and in the future.

The ministry is proceeding with a new organizational structure (Appendix 2) to be fully implemented by 2004/05. This includes the closure of some offices during 2003/04, and will result in three forest region offices subdivided into 29 forest district offices and 4 satellite offices. The 6 fire centres will remain. In addition, a new BC Timber Sales organization with 12 field offices has been created during 2002/03 and will be managed on commercial principles and at a greater "arms length" from compliance and enforcement decisions.

The main legislation for which the Forest Service is responsible is outlined in Appendix 1. The legislation is undergoing significant revisions in 2002/03 in order to meet new government direction. Ongoing revisions, including subsequent changes to regulations, will carry through 2003/04 and 2004/05.

Major emphasis in 2003/04 will be on making an effective transition to the new ***Forest and Range Practices Act***, to replace the ***Forest Practices Code of BC Act***.

Highlights of Changes from Previous Plan

The ministry is on track to achieving the key components outlined in the 2002/03 to 2004/05 Service Plan published last year. Changes from last year, now included in this Plan, are:

- The implementation of defined forest area management and market based pricing regimes will be phased in during 2003/04. The phase in is necessary to facilitate completion of

consultation and legislation processes. The timing of market pricing change is impacted by Canada/US negotiations on softwood lumber.

- Until a defined forest area management model is fully implemented, ministry resources will continue to be required to undertake management activities to assist forest health and timber supply analysis activities.
- Court decisions leading to increased consultation obligations with First Nations have resulted in changes to Ministry resource allocations.
- The emphasis in the management of Forest Service recreation sites and trails has shifted to partnership agreements where possible, and user-maintain for the rest.
- Having offered its six seed orchards for lease to the private sector, and having received no offers at this time, the ministry will continue its program of propagating improved seed to be used in reforesting Crown land.
- While the planned closure of certain forest district offices will be proceeding, following a review of access requirements for remote areas of the province some staff will remain working in local communities.

Planning Context

Introduction

Uncertainty and rapid change are ongoing features of the forest sector's global environment. In 2003/04, competitiveness issues are likely to continue to dominate the forest policy agenda, with forest stewardship, market reform policy change and U.S. market access, three key themes.

Forest Stewardship

The ministry is faced with numerous challenges in managing the large public-land based forest resource. The ministry's Service Plan is intended to address the changing nature of the resource as well as related social priorities, devolution of certain management functions to licensees, and collaboration among government agencies.

- Perhaps the most notable concern related to the forest resource itself is the damage being caused by the unprecedented epidemic of mountain pine beetle. In 2002, beetles have continued to expand and affect an area of about 9 million hectares stretching from Smithers to Cranbrook. The actual area infested is approximately 1.6 million hectares within this larger area. The outbreak is expected to continue to expand unless climatic conditions cause a collapse. The main areas of the beetle epidemic are essentially impossible to control by man-made means; a large-scale program is underway to harvest infested timber before it becomes economically worthless. Limited control work is also being conducted on the edges of the outbreak and in areas where efforts can be expected to have some success.

- If mountain pine beetle is the issue for the Interior, then changing forest management approaches is the focus on the Coast. Coastal silvicultural systems are changing to more closely mimic natural ecosystem dynamics. The shift towards variable retention logging has introduced a need to understand the impacts not only on timber supply, but also on water quality and a wide variety of flora and fauna.
- Implementation of the *Forest and Range Practices Act* will be a major objective in 2003/04. Designed to ensure that British Columbia achieves high quality forest management and environmental standards in a streamlined regulatory environment, the code will take effect April 2003 and will be phased in over two years. As the new Act replaces previous forest practices code legislation, there will be a greater emphasis on defining acceptable results on the ground. Licensees and individual professionals will also enjoy greater autonomy in deciding how best to achieve specified results.
- Within government, forest management continues to become more collaborative in nature. The Ministry of Forests relies on the Ministry of Sustainable Resource Management (MSRM) as the custodian of forest resource data and the keeper of standards related to those data. MSRM also has responsibility for high-level land-use planning, which involves assessing the merits of competing demands on the public landbase and deciding what uses should prevail in each area. Direction from MSRM sets the parameters within which the Ministry of Forests and its licensees can conduct their business. The Ministry of Water, Land and Air Protection continues to provide expertise related to species whose population viability depends on forest management decisions.
- Implementation of the Ministry's Core Service Review restructuring is also proceeding. Ministry funding is shrinking by 35 per cent over three years, and Forest Renewal BC was wound-up at the end of 2001/02. As a result of restructuring, the relationship between government agencies and forest companies is changing rapidly and the Ministry will work with industry and others to share local forest management responsibilities. By way of example, functions previously performed by Forest Renewal BC have been replaced by an array of programs that are part of the Forest Investment Account established in 2002/03. More than half of the funding appropriated to the FIA will be distributed among forest companies so that they can voluntarily undertake a variety of forest management activities formerly initiated and managed by government staff.
- Finally, the rate of harvesting throughout most of the province continues to be specified through the chief forester's determination of the allowable annual cut for each of the province's 71 management units. However, the scope and complexity of timber supply analyses and AAC determinations are increasing significantly as the ministry strives to better portray the dynamics of forest habitats and dependent species.

Revitalizing the Forest Sector

Implementing market-based policy reform will be a focus for the ministry during 2003/04. The purposes of this reform are to create the framework for a competitive, dynamic forest

industry and to maximize the contribution of the forest sector to British Columbians standard of living.

There are two complementary components to market-based policy reform:

- Market based pricing will ensure that the public receives fair value for its resource. It will also mean that an efficient company has the opportunity to earn a sufficient return over the business cycle to justify reinvestment. Finally, it will fairly reflect the differential economics of different stands of timber.
- Complementary policy changes that will free timber to be harvested and flow when and where it will be put to it's highest and best use within British Columbia.

The Ministry will also focus on the implementation of market oriented policy change initiatives announced in 2002/03.

U.S. Market Access

The softwood lumber dispute with the United States is also a major issue for the British Columbia forest sector.

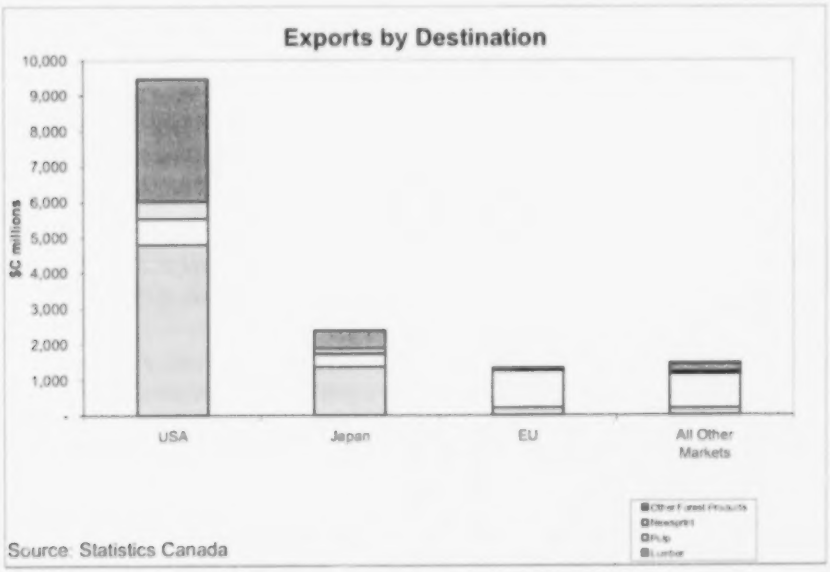
- Expiry of the Canada/U.S. Softwood Lumber Agreement on March 31, 2001 was quickly followed (on April 2, 2001) by the filing of countervailing duty and anti-dumping cases by the U.S. Coalition for Fair Lumber Imports. B.C. arguments that the provincial lumber industry is not subsidized had no effect on U.S. actions. In the summer of 2001, the U.S. Department of Commerce introduced a preliminary countervailing duty, followed in the fall by a preliminary anti-dumping duty.
- Despite extensive discussions and negotiations about the possibility of a policy-based solution to the softwood lumber trade dispute, no mutually acceptable agreement could be found. On March 22, 2002, the U.S. Department of Commerce announced final countervailing and anti-dumping duty amounts averaging 27 per cent. The U.S. International Trade Commission then finalized this result. Cash deposits for estimated duties went into effect on May 21, 2002.
- The government of Canada has launched both World Trade Organization and North American Free Trade Agreement challenges to the U.S. softwood lumber duty determinations. However, both processes will take time to complete. For example, the WTO Final Determination of Subsidy panel is not expected to complete its work until August of 2003.
- In the meantime, the high duty level makes B.C. forest products less competitive in the U.S. and B.C. forest companies less resilient to any declines in forest product prices or changes in the Canadian dollar.

Prices, Costs and Performance

B.C.'s forest-based industries produce an array of wood products, but are dominated by the production of lumber, pulp and paper. These commodities are sold into world markets. The ministry's market-based policy reform is focused on supporting a globally competitive forest industry while ensuring that the public receives fair value for its resource.

In 2001, the last full year for which data is available, B.C. forest product exports totaled $14.6 billion and accounted for 47 per cent of total provincial exports and approximately 8 per cent of world exports of forest products. Late 2002 results (year-to-date November), indicate that total forest product exports for 2002 will be below 2001 levels due to weak pulp and paper markets.

The primary market for B.C. products is the U.S., which imported 65 per cent of B.C.'s total provincial forest product exports in 2001. Japan is the second-largest market, accounting for approximately 16 per cent of exports[3].



The forest sector's reliance on exports means that world prices are an important determinant of the health of the sector as a whole.

[3] Source: BC Stats, Statistics Canada.

Generally, prices were down in 2001 and this trend continued into 2002. The price of spruce-pine-fir (SPF) softwood lumber 2x4s, the key product of the Interior lumber industry, fell from an average of US$255/thousand board feet (mfbm) in 2000 to US$249/mfbm in 2001, a drop of 2 per cent. In 2002, softwood lumber 2x4 prices fell by nearly 6% to an average of US$235/mfbm[4]. The softwood lumber tariff, and changing U.S. economic conditions have undoubtedly contributed to the decline in lumber prices.

The price for hemlock baby squares, a key product for the Coastal industry, was relatively stable in 2001 with prices up over year 2000 results. Average prices increased slightly again in 2002 to an average of US$597/mfbm[4]. However, Japanese demand is below 1990s levels and is likely to remain so given Japanese economic performance and shifts in product demand.

Market demand for northern bleached softwood kraft (NBSK) pulp weakened markedly in both 2001 and 2002. In 2002 NBSK pulp averaged US$463/tonne, down by 32 per cent from the 2000 average of US$681/tonne[5].

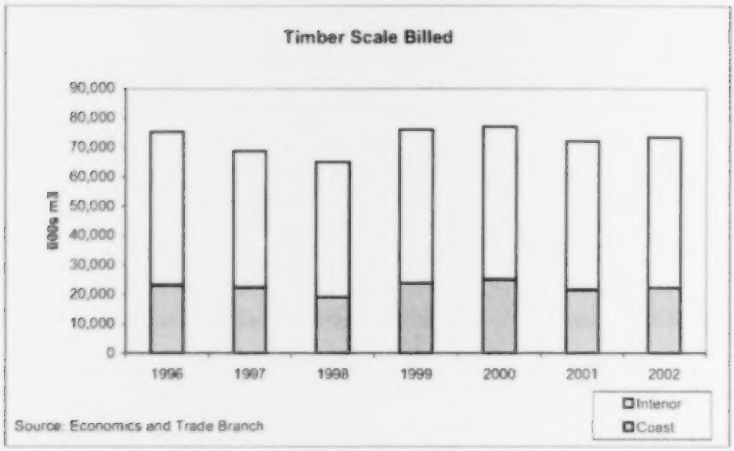
In 2001, newsprint prices increased by 4 per cent with average prices reaching US$588/tonne for the year. This strength was not maintained. Average newsprint prices for 2002 were US$468/tonne, a drop of 20 per cent. However, some analysts suggest that newsprint prices have bottomed out[6].

Source: Resource Information Systems Inc. World Wood Fibre Study, 2001

[4] Source: Madison's Lumber Reporter.

[5] Source: Finnish Options Exchange. The pulp price shown is the list price for contract sales to buyers in Northern Europe before discounts.

[6] Source: Pulp and Paper Week. The newsprint prices shown are estimated transaction prices.



In addition to world prices, production costs are important to the provincial forest sector. For a cyclical, competitive, mature industry to be successful in the global marketplace, costs must be kept low.

In 2001, variable costs — or costs that vary directly with output — increased slightly on the Coast, but declined in the Interior. The variable cost category includes costs of harvesting, labour and supply.

For a variety of reasons, including the diversity of wood types and terrain, the B.C. Coast has significantly higher lumber production costs overall than the Interior. High production costs, changing markets, and environmental pressures continue to exert significant restructuring pressures on the Coast.

B.C. total harvest levels (Crown and private land), as measured by timber scale billed, were down somewhat in 2001, falling from 77 million cubic metres (m^3) in 2000, to 72 million m^3. Despite trade uncertainty and weak lumber prices, harvest levels rose slightly in 2002 to 73 million cubic metres[7].

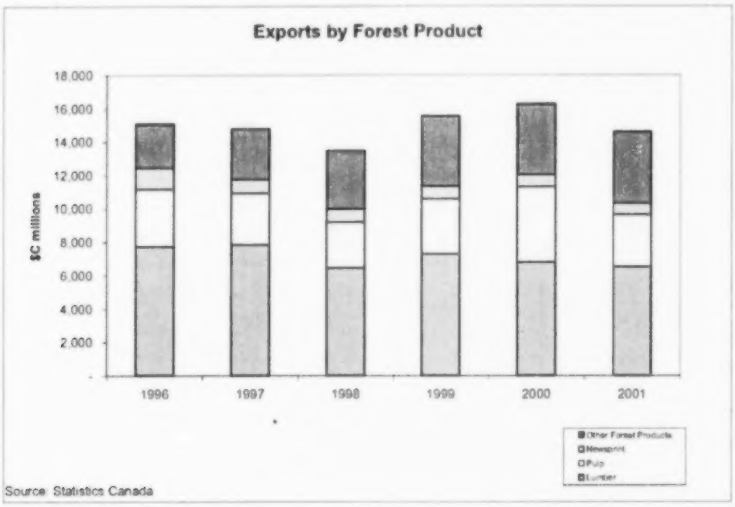
The general weakness in the sector was also evident in the employment and export numbers.

Employment levels in all sub-sectors of the industry dropped in 2001, with the largest fall occurring in the solid wood products category. Total direct employment in the industry was 85,041 positions, a drop of 12 per cent from 2000.

Forest sector employment levels have continued to weaken in 2002. As of October, forest industry employment is 20 per cent or more than 17,000 jobs below comparative 2001 levels with all sub-sectors posting significant declines[8].

[7] Source: Economics and Trade Branch. B.C. Ministry of Forests.

[8] Source: Statistics Canada, SEPH data.



Total British Columbia forest exports dropped from $16.3 billion in 2000 to $14.6 billion in 2001. Reduced pulp shipments accounted for much of the change. Based on information from eleven months of the year, similar results are expected for 2002. The pulp and paper sector has remained weak with the result that pulp and paper product exports are below 2001 levels. Solid wood exports may decline slightly.[9]

Supply and Sustainability

While demand-side issues have been centre of attention for the past few years, any economic scan of our forest sector is incomplete without an examination of timber supply. Two supply-related issues that will affect the provincial forest sector on a long-term basis are:

- the world supply of timber, and
- certification.

World Timber Supply

World timber supply is not expected to be a constraint on global forest product production in the foreseeable future.

It is expected that the availability of wood fibre will improve significantly over the next 20 to 25 years, as the commercial production of timber becomes increasingly concentrated on managed forests and plantations[10]. While timber inventories in global "native" forests are expected to decline moderately, "non-native" plantation inventories will more than compensate for the loss.

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[9] Source: BC Stats, Statistics Canada.

[10] Resource Information Systems Inc., World Wood Fibre Study — Analysis and Forecast.

Both economic and environmental factors are responsible for reshaping the world's fibre supply. From a production prospective, non-native plantations are generally more productive than their native counterparts, and many countries have actively encouraged investment in this type of forest resource. Simultaneously, there has been increasing international pressure for the conservation of "native" forests due to concerns about deforestation and forest degradation. Indeed, globally, B.C.'s forest resource is increasingly unique. For example, B.C.'s remaining old growth Coastal rainforest represents approximately 25% of the remaining coastal temperate rainforest worldwide.

By 2025, some experts predict that fibre from "non-native" plantation inventories will represent one-third of the operable growing stock and supply more than half of global wood fibre needs. In terms of wood supply, this means that Asia, Central America, South America, Australia and New Zealand will become increasingly important wood-fibre suppliers. From a B.C. perspective, this likely implies increased competition in world forest product markets and increased pressure for the conservation of increasingly rare forest types.

Sustainability

Certification is increasingly seen as a means of sustainable resource management and excellence in forest stewardship. It is expected that, over time, certification will become more of a prerequisite for access to global forest product markets.

Virtually every major B.C. forest company has either achieved or is pursuing third-party certification.

First Nations Land Claims

The uncertainty associated with unresolved First Nations land claims continues to affect the provincial forest sector. Recent court decisions have reinforced the importance of consultation with and accommodation of First Nations interests. It will take time and experience to adequately sort out the roles and responsibilities of government, industry and First Nations in this regard.

It is expected that as land claims are resolved and treaties are put into place, there will be increased stability for forestry operators on the land base. In the meantime, the Ministry will continue to consult with First Nations on forest management activities in order to meet its legal responsibilities to First Nations.

Conclusion

The B.C. forest sector will continue to face the challenges associated with a dynamic and ever-changing global environment. Only a sector that is outward looking, globally competitive, environmentally responsible, and locally accountable will be able to succeed. The ministry's ongoing task is to ensure that an appropriate policy, regulatory and legislative framework is in place to support these objectives.

Ministry of Forests (Forest Service) Vision:

Healthy Productive Forests

The province of British Columbia is renowned for its rich and diverse forest and range resources, more than 90% of which are publicly owned. These resources are a major source of environmental, economic and social benefits, contributing to a high standard of living for individuals and communities across British Columbia. Healthy, productive forests are the cornerstone from which all other forest benefits are possible, including continuous generation of substantial revenue to the Crown.

The Forest Service, as the agency responsible for protecting and managing these resources, will focus on ensuring that the health and productivity of the province's forest and range resources are maintained now and in the future. Healthy forests include a diversity of ecosystems that support a full range of forest products, businesses and other opportunities.

Forest Service Mission:

Protect and manage our public forests for the sustained benefit of all British Columbians.

Since its establishment in 1912, the Forest Service has been mandated to protect and manage the public's forest and range resources. We have recently adopted the motto "***Stewards of Our Forests***" to reflect this mandate. Other roles have come and gone, but the stewardship role continues to be the foundation of our organization and is reflected in our mission statement. The key responsibilities for the Forest Service in undertaking this mission in the future are:

- protecting and managing the province's forest and range resources;
- providing the basis for a globally competitive forest industry with high environmental standards; and,
- maximizing net revenues to the Crown.

We will carry out this mandate in co-operation with our other public and private sector partners.

To fulfil this mission, the establishment of clear policies and scientifically-based standards to protect the province's forest and range resources are required to ensure a full range of benefits are available from these resources on a sustainable basis. The Forest Service will continue to monitor and enforce standards for the forest and range practices carried out by licensees. At the same time, we will implement pricing and selling policies aimed at making the province's forest sector more competitive in global markets, and ensuring the Crown receives fair value for the use of its forest and range resources.

Values and Ethics

In carrying out our mission and day-to-day activities, the people of the Forest Service share the following core values and ethics:

Values:

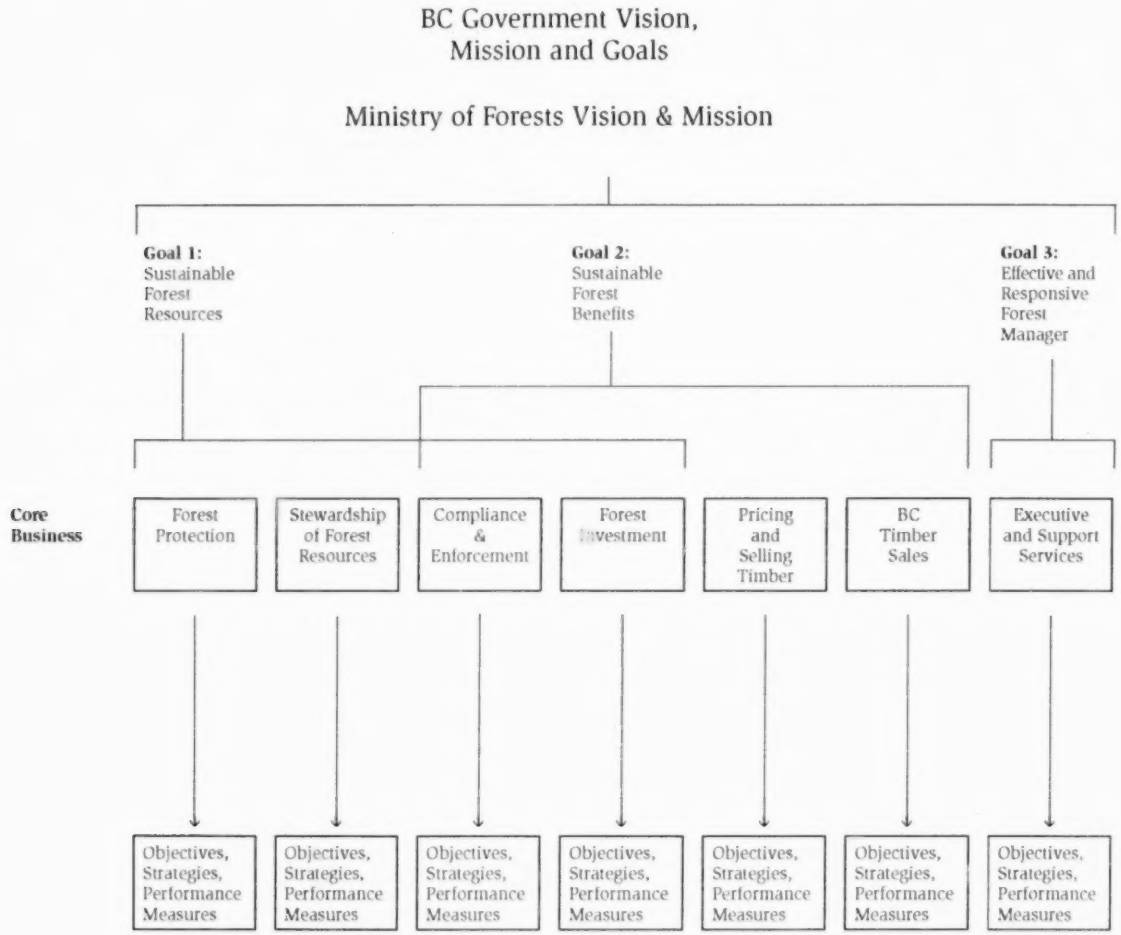
- Respect for the forest and range resources, our clients and each other.
- Service excellence in fulfilling our public trust.
- Accountability for our decisions.
- Openness and adaptiveness to new ideas and knowledge.
- A Can-Do attitude for getting the job done and done right.

Ethics:

- Our Sustainable Use ethic is to manage forest development to meet the current needs of British Columbians without prejudice to the needs of future generations.
- Our Stewardship ethic is to care for the health and sustain the beauty and natural functioning of the province's ecosystems by managing forest and range lands to maintain natural diversity across the landscape.
- Our Public Service ethic is to provide a continuous flow of benefits from forest and rangelands for the physical, cultural and spiritual well being of British Columbians.

Linking the Strategic Context with the structure of the Service Plan

The Forest Service has three long-term goals to provide overall direction in achievement of its mission and vision. The ministry has established seven core business areas to structure the objectives, strategies and performance measures of the ministry. Each of the Ministry's seven core businesses is linked to at least one of the three goals. Two core businesses, Compliance and Enforcement and Forest Investment support two of the three goals.



Goals, Key Outcome Indicators and Core Business Areas

The following section describes the three ministry goals, key outcomes and indicators that will be used to measure the progress towards these goals. An overview of the core businesses associated with each goal is provided.

The key outcome indicators identified for each goal are intended to monitor high-level progress in achieving the ministry's mandate. Because they measure societal, land base or stakeholder results or changes in conditions or behaviors, the accountability for the key outcomes and indicators cannot be solely attributed to Ministry of Forests.

Goal 1: Sustainable Forest Resources

As stewards of British Columbia's forest and range resources, the Forest Service has the responsibility to ensure that the use of the forests to generate economic benefits is balanced with the long-term health of the forest and range resources. We will ensure the use of appropriate forest and range management practices to maintain and improve the long-term sustainability and health of the province's forest and range resources.

Healthy forest ecosystems sustain the quality and quantity of soil, water and timber, and these will therefore be used as key outcome indicators of our sustainable forest resources. These indicators are linked to national forest criteria and indicators of global forest sustainability, of which there are several approaches used. Although, the indicators presented here are chosen to represent key elements of healthy ecosystems, these indicators are only meaningful at the ecosystem level, need to be considered over time, and no one indicator can be taken by itself as a sufficient indicator of sustainability. The ministry intends to present more comprehensive information in a "State of the Forests" report published periodically.

Goal 1: Sustainable Forest Resources					
Key Outcome	**Indicator**	**2002/03 Projection**	**2003/04 Projection**	**2004/05 Projection**	**2005/06 Projection**
Sustainable forest land base	Area of provincial forest in millions of hectares	47 M	47 M	47 M	47 M
Sustainable timber productivity	Ratio of area reforested to area harvested or lost to fire and pest (unsalvageable losses, based on a 5-year rolling average)	1.04	≥ 1.0	≥ 1.0	≥ 1.0
	Total area of Crown forest lost to unwanted wildfire annually (in hectares, on a 5-year rolling average)	17,096	< 30,000	< 30,000	< 30,000
Healthy forests — Soil Quality	% of annual harvest area with soil loss due to establishment of permanent access roads (based on a 5-year rolling average)	5%	≤ 5%	≤ 5%	≤ 5%
Healthy forests — Water Quality	Percentage of community watersheds with active logging for which watershed assessments have been completed	100%	100%	100%	100%
Healthy forests — Ecosystem diversity	Area of forests > 140 years of age within the province in millions of hectares	26 M	26 M	26 M	26 M
Effective forest protection and management by forest operators	Percentage of forest operators' compliance with standards that regulate forest practices	94%	≥ 94%	≥ 94%	≥ 94%

There are four Core Business Areas that support this goal:

Core Business: Forest Protection

To help ensure the forest will continue to contribute to a strong forest economy, the ministry prevents and suppresses wildfire to protect natural resource inventories and investments in the forest land-base. Our forest fire response is primarily focused on protecting lives and government forest assets, particularly timber. Without fire protection, some 500,000 hectares of productive forest would be lost annually costing the province billions of dollars in potential direct revenue.

Forest Protection also includes the detection and management of insect pest outbreaks on areas under the responsibility of the province. Of key significance recently are bark beetles and gypsy moth infestations. Other defoliators, endemic pests and outbreaks of local significance are also managed.

Changes from 2002/03

In 2002/03 this core business was "to protect and manage the asset" and included managing encroachments by invasive alien plant species (including noxious weeds) on rangelands. In 2003/04 all rangeland treatments are included as part of the Stewardship core business.

Planned Changes for 2003/04

Forest protection will remain a core ministry business. The ministry plans to significantly increase the cost sharing of fire protection activities with the forest industry, utility companies and landowners. The cost sharing mechanisms to cover fire suppression costs are being developed for implementation. Legislative and regulatory changes are required both as part of the new regulatory regime for the forest industry and as part of general de-regulation and streamlining. This will include the implementation of a new Wildland Fire Act in January 2004.

Forest licensees will take on greater responsibilities for protecting the health of forests under their management. The province already relies on industry to a large extent to help manage pest epidemics, including the current bark beetle situation, and this will continue. However, government continues to have a significant obligation to manage infestations in BC Parks and protected areas, and manage defoliator outbreaks that span multiple jurisdictions.

Core Business: Stewardship of Forest Resources

The functions in this core business area are fundamental to ensuring sound environmental stewardship of forest and range resources to ensure that they are used in a sustainable way. This in turn supports global recognition of environmental stewardship for BC and BC companies by ensuring that an appropriate regulatory framework is in place. This can also provide a foundation for forest certification of company operations.

Stewardship includes the regulation of forest and range practices, timber supply planning and determination, range planning and management, control of invasive alien plant species, recreation resource management, applied research, and forest gene resource management. The ministry continues its deregulation initiative that will reduce forestry regulation by one-third by 2004/05 without compromising environmental standards.

Provincial investments in forest productivity, which are largely managed by forest companies, also assist in this goal while supporting the long-term value of the Crown's forest asset base.

Changes from 2002/03

In 2003/04 this core business now includes all range and recreation management activities. In 2002/03, some of these activities were in the Stewardship core business and some were in the Pricing and Selling Timber core business.

Planned Changes

In 2003/04, the Forest Service will implement transition to the new ***Forest and Range Practices Act***, with greater reliance on professional and company accountability. Implementation of the defined forest area management model is also expected to provide more operating flexibility and forest management responsibilities for forest companies, support results-based regulation and certification, and allow government to achieve its fiscal objectives.

As part of the planned move to area-based management of the whole forest land-base, forest licensees may develop timber supply analyses for Timber Supply Areas. This is the practice now on Tree Farm Licenses. When forest licensees do not participate in preparing Timber Supply Area analyses, the ministry will complete them. The ministry will continue to determine Allowable Annual Cuts for all Timber Supply Areas and Tree Farm Licenses.

As part of the proposed shift to area based management on Timber Supply Areas, forest licensees would be responsible for carrying out specific forest health activities.

The role of the ministry in managing range use is changing in that *Range Act* agreement holders will now be required to submit their own operational plan under the new *Forest and Range Practices Act*. In addition there will be more responsibility placed on them to achieve prescribed results or standards without specific direction from the ministry. The ministry will continue to approve range use plans and range tenures.

The current requirements for control of noxious weeds by the ranching and forest community will be expanded to include other specified invasive plants and responsibilities will be clarified. This will allow less direct involvement by ministry staff, corresponding with the ministry's reduction of resources (both staff and funding) to the program.

To ensure recreation sites and trails continue to be accessible and well maintained, the ministry will work to establish viable partnerships for their management. Most sites and trails without partnership agreements will remain open to the public and will be managed by the ministry as user maintain. Some sites and trails may need to be decommissioned and closed where there are high risks to public safety or the environment.

The two ministry tree seedling nurseries will be privatized. Having offered its six seed orchards for lease to the private sector, and having received no offers, the ministry will continue its program of propagating improved seed to be used in reforesting Crown land. Through a combination of public and private sector seed orchards the strategy is to expand orchard production so that by 2007 there will be enough improved seed to supply 150 million

of the approximately 200 million seedlings expected to be planted in the province each year. In the interests of meeting gene resource management objectives and improved forest productivity, the Ministry and licensees will continue to improve the quality of seed used for reforestation on Crown land.

In addition, as part of the shift to area-based management, reforestation activities on areas lost to fire or pests will be carried out by forest licensees on a discretionary basis using Forest Investment Account funding. Stand tending activities, such as spacing and pruning will not be a regulatory requirement. They will be optional and will occur based on availability of funding and joint assessment of provincial and licensee priorities.

The ministry research program will be focused more directly on work needed to support scientifically based standards of forest practice on Crown lands.

Core Business: Compliance and Enforcement

This core business includes all activities related to upholding BC's laws related to protecting the province's forest and range resources under MOF's jurisdiction. Under Goal 1, this includes:

- enforcing environmental standards under the new *Forest and Range Practices Act* for forest and range management carried out both by the government and by forest and range tenure holders;
- enforcing regulations to minimize fire, pests, and unauthorized activities that threaten the province's forest and range resources; and
- enforcing rules governing the use of Forest Service recreation sites and trails.

Planned Changes

Compliance and enforcement staff are the basis of the Forest Service's "field arm." This is an ongoing core function of government directly related to ensuring the public interest in management of our forests and generation of revenue is protected.

The ministry plans to restructure the compliance and enforcement organization so that a reduced number of staff resources can be more effective by being more highly focused and highly trained.

Core Business: Forest Investment

The Forest Investment Account (FIA) is a new provincial government mechanism for promoting investment in sustainable forest management in British Columbia. It is a separate Vote of the Legislature, authorizing the Minister of Forests to provide funding for certain forest management activities.

Specific amounts in support of Sustainable Forest Resources are dedicated to program elements at the provincial level, including tree improvement, research and land use planning. Other amounts are allocated for disbursement to tree farm license holders and certain tenure holders in each timber supply area, for activities such as inventories, stand establishment and treatment, restoration and rehabilitation.

Administration of most FIA activities will be provided by private-sector firms rather than by government staff. Forintek Canada Corp will provide day-to-day administration for the Research Program and PricewaterhouseCoopers LLP will do the same for the Land Base Investment Program.

Changes from 2002/03

The Forest Investment Account is a new Core Business Area for 2003/04. In 2002/03, the Forest Investment Account was identified separately and not included in any of the Ministry of Forests Core Businesses.

Goal 2: Sustainable Forest Benefits

In British Columbia, more than 90 per cent of the land base that is suitable for timber production is publicly owned. Approximately 22% of employed British Columbians have jobs associated with the forest sector. Of the province's 63 regional economic areas, 41 per cent rely on forestry as their principal source of income. Forestry is projected to generate $1.1 billion in direct revenue to the provincial government during 2002/03, and remains a major contributor to British Columbia's current and future economic health.

As stewards of the forest resources on the behalf of government, the Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. Sustainable forest benefits rely on a strong forest economy and a competitive forest sector.

International buyers are seeking assurances that the forest products they purchase come from well-managed forests. Certification is viewed by buyers and others as an important indicator of whether forests are well managed. The demand for certified forest products is expected to increase. The Forest Service is committed to working with industry and others to support increased certification of British Columbia forest products.

The Ministry recognizes the unique interests of First Nations in sustainable forest benefits; for their economic benefit and so they can have access to the forest for future generations.

Additional benefits from our forests and range resources are generated from the ranching industry, the use of forests for tourism and recreation, including guide-outfitting, and the botanical forest products industry.

Goal 2: Sustainable Forest Benefits					
Key Outcome	**Indicator**	**2002/03 Projection**	**2003/04 Projection**	**2004/05 Projection**	**2005/06 Projection**
Revenue to the crown	Crown forest gross revenue ($ billions)	1.185 B	1.072 B	1.170 B	1.191 B
	Crown net revenue generated from BC Timber Sales ($ billions)	0.104 B	0.142 B	0.168 B	0.171 B
Strong Forest Economy	British Columbia's share of the U.S. softwood lumber market	17%	17%	17%	17%
	British Columbia's share of Japan softwood lumber imports	46%	45%	45%	45%
	Increase in wood product sales to Taiwan, China and Korea	N/A	20% increase	20% increase	20% increase
Competitive forest Sector	Ratio of BC forest industry capital investment to depreciation and amortization	0.65 (2001)	< 1.0	< 1.0	> 1.0
Globally competitive forest Sector	Percentage increase in forest land certified by major forest certification processes (FSC, CSA and SFI, excludes ISO)	9.9 million ha certified	≥ 10% increase	≥ 10% increase	≥ 10% increase

There are four Core Businesses that support this goal:

Core Business: Pricing and Selling Timber

The Forest Service has a major role in ensuring that the citizens of British Columbia benefit from commercial use of their forests. This relies on a strong forest economy and a competitive forest sector, which in turn is dependent on a fair pricing system, effective allocation and administration of timber harvesting rights, and a safe and cost effective road infrastructure to access timber.

Core business activities to achieve this goal include timber tenure administration, timber pricing, market access activities, maintaining a forest road infrastructure and First Nations consultation.

Tenures managed by the Ministry of Forests:

- 34 Tree Farm Licences
- 815 Woodlot Licences
- 11 Community Forest Pilot Agreements
- 151 replaceable and 81 non-replaceable Forest Licences
- 100 replaceable and 1,620 active non-replaceable Timber Sale Licences
- 723 Timber Licenses
- 10 Pulpwood Agreements

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Changes from 2002/03

The BC Timber Sales Program was included in this core business in 2002/03 but has been moved to its own core business for 2003/04.

Planned Changes

The ministry is planning to implement a market-based timber pricing system for the province. A market-based pricing system is expected to increase the competitiveness of the forest industry and provide greater incentives for capital re-investment. It may also lead to greater variability in provincial revenues and consolidation in the logging and milling sectors.

In addition, the ministry is implementing significant business changes to increase efficiency. The Harvest Billing System project, to facilitate a more efficient and effective "e-business" relationship with forest companies, will be completed in 2003/04. This system will allow timber scale data to be fed directly to the ministry over the Internet and invoices to be sent back electronically. In addition, in 2003/04, the forest industry and ministry will be able to exchange timber pricing data using the Internet. These changes will fundamentally reform both how timber is priced in the province and how the forest industry and the ministry transact business, using modern e-business approaches.

The ministry has embarked on a forest policy reformation process that will largely be implemented through the timber tenure system. The goal is to have a policy framework that will ensure that the parties holding timber tenures are able to make sound business decisions and expand the role of market forces in the forest sector. Other goals that will be factored into this policy regime is to maintain British Columbia's strict environmental standards and increase First Nations involvement in the forest sector.

The Small Scale Salvage Program was established in 1998 to create short-term, seasonal employment opportunities through the harvest of previously unrecovered timber and logging residue. Changing government priorities, in conjunction with *New Era* commitments and the ministry's workforce adjustment have necessitated a number of significant changes to the program for 2003/04. Program objectives will now be focused on:

- reducing unsalvaged losses;
- contributing to forest health management;
- contributing to Crown revenues; and,
- transitioning existing small scale salvagers to a more market-based environment.

The field services division of the ministry will be responsible for delivery of the program. The small scale salvage program is expected to generate sales volumes in excess of 210,000 m^3 and revenues of at least $2.5 million in stumpage through the sale of competitive and non-competitively awarded timber sales licenses and the piloting of a number of new salvage-based non-replaceable forest licenses.

In 2003 the ministry will pilot the use of salvage non-replaceable forest licenses (SNRFL) to promote small scale salvage operations. It will also introduce, through the defined forest area management initiative, increased responsibilities for licensees to manage and minimize forest health losses. Depending upon initial success of SNRFLs, the program may be expanded in following years.

The ministry is responsible for establishing all forest road and bridge construction and maintenance standards. Those standards apply to approximately 120,000 kilometres of forest roads built and maintained by the forest industry under road permit and 44,000 kilometres of Forest Service Roads. With respect to Forest Service Roads, although the ministry is responsible for all 44,000 kilometres of Forest Service roads including 4,900 bridges and other major structures, 33,000 kilometres and the majority of bridges are maintained by the forest industry on the ministry's behalf. The remainder are maintained by the ministry to either the wilderness or public use standard.

Over the next two years, where possible, MoF plans to transfer responsibility for forest service roads with industrial use to the forest industry. In addition, it plans to discontinue maintaining forest service roads to the public use standard (those that access communities and reserves) and transfer the responsibility to maintain those public use roads to either the Ministry of Transportation through a road rationalization process or to road user groups.

The remainder, approximately 10,000 kilometres, will be maintained to the new wilderness standard. Because the wilderness standard is designed to protect environmental values, any roads and bridges considered unsafe to vehicular traffic will be temporarily or permanently closed.

In the area of First Nations, recent court decisions related to First Nation's issues (Taku, Haida) have further defined the range and scope of the government's consultative obligations. In cases where aboriginal interests are likely to be infringed as a result of a forestry decision, this obligation may include "accommodation" of aboriginal interests that may include the provision of economic opportunities. These court decisions have also extended the Ministry's consultation obligation for administrative decisions such as tenure replacements and AAC determinations. For example the ministry must offer to replace 135 forest licences and a number of other tenures in 2003, with more to follow in 2004 and 2005, and each of these replacements require First Nations consultation. The ministry will also be supporting the Treaty Negotiations Office on priority treaty tables, other First Nation's negotiations, and related policy issues.

The ministry plans to maintain its role in providing industry and market intelligence to help guide forest policy changes but expects that a resolution to the softwood lumber dispute will allow considerable savings in delivery of this function.

Core Business: BC Timber Sales

The Forest Service has a core responsibility to provide British Columbians with benefits from the commercial use of public forests. To achieve the goals of increased effectiveness and being more commercial, the ministry has refocused the mandate of the Small Business Forest Enterprise Program (SBFEP) and moved operations into a new organization called BC Timber Sales, which will be managed independently from the field services division. The small scale salvage program originally initiated in the SBFEP will be managed for 2003/04 under the field services division.

Business functions include planning and development of standing timber for sale by auction to independent forest companies, creating and maintaining a road and bridge infrastructure to provide access to tenure opportunities and meeting all requirements of the *Forest and Range Practices Act*, including silviculture obligations.

Ministry strategies associated with this core business area are designed to generate significant ongoing revenues for the province.

Changes from 2002/03:

In 2002/03, BCTS was part of the Pricing and Selling Timber core business.

Planned Changes for 2003/04

To make BCTS more effective and put it on a commercial footing, the program will:

- Implement a three-year business plan that puts the program on a net revenue basis; and
- Change the financial accounting treatment for sales inventories and the silviculture liability to more appropriately reflect the multi-year nature of a timber sale and more accurately capture labour costs.

Core Business: Compliance and Enforcement

Activities focused at enforcing revenue policies and forest crimes such as theft, have a direct impact on provincial revenues and the fair return to the public from commercial use of forest resources. Under Goal 2, this core business includes:

- enforcing the revenue policies that govern removal and transportation of timber, marking, scaling, marine log salvage, etc.;
- combating "forest crimes" (theft, arson, mischief) which are a significant drain on provincial revenue and a significant risk to other environmental, social and economic values;

Planned Changes

While the ministry's primary focus will continue to be monitoring of forest and range practices under the new *Forest and Range Practices Act* as described under Goal 1, the

ministry will increase the emphasis placed on revenue issues and forest crimes. This will include planned changes to the *Forest Act* to increase the ministry's ability to enforce in key areas such as revenue.

Core Business: Forest Investment

Under the goal of Sustainable Forest Benefits, the Forest Investment Account promotes investment in product development and international marketing initiatives. Forintek Canada Corp. administers both initiatives at the provincial level.

Changes from 2002/03

The Forest Investment Account is a new Core Business Area for 2003/04. In 2002/03, the Forest Investment Account was identified separately and not included in any of the Ministry of Forests Core Businesses.

Goal 3: Effective and Responsive Forest Manager

As the Forest Service moves toward its 100th anniversary, we are on track to revitalize ourselves as the stewards of the province's forest resources. While undertaking the many challenges and opportunities involved in this endeavour, we will bear in mind that our core purpose is to ensure that sustainable forest resources deliver sustainable forest benefits for the people of British Columbia. The effectiveness of our organization is dependent upon highly trained and knowledgeable staff who will continue to be responsive and performance-focused.

Goal 3: Effective and Responsive Forest Manager					
Key Outcome	**Indicator**	**2002/03 Projection**	**2003/04 Projection**	**2004/05 Projection**	**2005/06 Projection**
Public Trust in the BC Forest Service	Percentage of those surveyed who believe the Forest Service can be trusted to protect and manage our public forests	59%	≥ 59%	≥ 59%	≥ 59%

The Core Business that supports this goal is:

Core Business: Executive and Support Services

The ministry intends to become a more effective organization by improving corporate governance and service delivery processes. The core business therefore includes both of these aspects.

Key clients for the strategic policy and governance aspect are the Executive, Minister and Cabinet. Activities are structured within key frameworks for policy and legislation development, performance management, internal audit and evaluation, and litigation

support. Executive, regional and district management, and staff in the Corporate Policy and Governance Division play a key role in delivery of these functions.

Support service activities include finance and administration, human resources, central infrastructure management, Freedom-of-Information, records management, continuous improvement and best practices initiatives, as well as application of information technology. These services are delivered at all levels of the organization — branch, region and district. While focused at supporting internal management and employees, they also serve industry and the general public.

Changes from 2002/03:

This core business was called Corporate Services in 2002/03.

Planned Changes:

From 2003/04 to 2005/06, the Ministry of Forests will manage a very large policy and legislation agenda in support of achieving Government direction for the ministry's two primary goals.

The Ministry will continue integration of financial and performance management and expects to introduce a new performance management system (MAX) in early 2003.

The functions of finance, human resources and information management will be consolidated both within the ministry and across government as part of the Shared Services Initiative. This change, including increased use of technology, will result in more consistency in business practices and cost reductions.

In 2003/04 the Ministry will still be engaged in workforce adjustment with significant numbers of staff learning new job functions. Starting in 2005/06 the ministry expects to be dealing with the first wave of significant retirements and the need for active recruitment.

Objectives, Strategies, Performance Measures and Targets

The ministry's objectives, strategies and performance measure targets are structured around the seven core business areas. Objectives are concise results-oriented statements of what service results the ministry intends to achieve in the short-term. The strategies outline the actions to be taken to achieve the objectives. The performance measures are used to indicate the degree of success the ministry has in achieving its objectives and strategies. The accountability for the performance measures and targets resides fully with the Ministry of Forests.

Core Business — Forest Protection

Objective: Prevent and manage unwanted wildfire, pests and disease to ensure that forest and range resources are protected.

Strategy	Performance Measures	2002/03 Target	2003/04 Target	2004/05 Target	2005/06 Target
Ensure fire preparedness and rapid effective initial attack.	% of unwanted wildfire contained at less than four hectares	92%	92%	92%	92%
Early detection and treatment of insect infestations.	% of Crown forest aerial surveyed for insect infestations	100%	100%	100%	100%
	% of high priority bark beetle infestation sites treated	N/A	Baseline to be established	To be determined	To be determined
	% of high priority areas treated to manage defoliator outbreaks	N/A	Baseline to be established	To be determined	To be determined

Core Business — Stewardship of Forest Resources

Objective: Monitor the health of forests and grassland ecosystems in the province					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Regularly evaluate and publish information on the state of the forests in BC	Status of State of the Forest (SOF) Report	N/A	SOF Report with 6 indicators	SOF Report with 12 indicators	SOF Report with 24 indicators

Objective: Ensure performance standards for managing timber, forage, bio-diversity, water, soil, forest habitat, and scenic resources are established and evaluated					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Implement and regularly review results-based legislation that encourages exemplary management of all forest resources by licensees	# of completed effectiveness evaluations of the legislation	3	3	3	3
Reduce forestry regulation by one-third without compromising environmental standards	% of forestry deregulation achieved (cumulative from 2001/02 baseline)	3%	23%	33%	33%
Target applied research activities to support scientifically-based standards of forest practices on Crown lands.	Client satisfaction with applied research completed by the ministry	70%	> 70%	> 70%	> 70%

Objective: Ensure that forest and range resources are managed and improved on a sustainable basis					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Implement a defined forest area management model for volume-based licenses.	% of Timber Supply areas under defined forest area management	11%*	25%	50%	100%
Work co-operatively with forest companies and other stakeholders to implement timber supply analysis within the defined forest area management model.	% of timber supply allowable annual cut determinations achieved by their scheduled deadline	80%	75%	75%	75%
Reforestation through the Forest Stand Management Fund.	Volume gain (cubic metres per year) of timber available for harvest in 65 years	262,000	317,000	317,000	317,000
Ensure that forage is available to range users through agreements or permits.	% of available crown range forage under a form of tenure	90%	90%	90%	90%
Manage Forest Service recreation sites and trails through partnership agreements or as user-maintain.	# of Forest Service Recreation sites and trails managed under partnership agreements	106 sites 40 trails	390 sites 165 trails	520 sites 220 trails	650 sites 275 trails

* 2002/03 targets are for areas under Innovative Forestry Practices Agreements. Future targets will be for areas established under the Defined Forest Area Management initiative.

Core Business — Compliance and Enforcement

Objective: Promote compliance and ensure statutory obligations are enforced					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Implement a new compliance and enforcement regime for the *Forest and Range Practices Act*	% of high and very high priority sites inspected for forest and range practices compliance	91%	91%	91%	91%
	% of high and very high priority inspections for pricing and revenue compliance	95%	95%	95%	95%
Implement a new compliance and enforcement regime for pricing and revenue	% of alleged compliance contraventions successfully concluded	80%	80%	80%	80%
	% of alleged enforcement contraventions successfully concluded	80%	80%	80%	80%

Core Business — Forest Investment

Objective: Ensure that forest investments contribute to sustainable forest management at the Management Unit level.					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Actively foster sustainable forest management through strategic planning and information gathering	Percentage increase in provincial resource inventory information	N/A	Baseline to be established	To be determined	To be determined
Improve the public forest asset base through land based and tree improvement activities	Volume gain (cubic metres per year) of timber available for harvest in 65 years	N/A	Baseline to be established	To be determined	To be determined

Objective: Promote greater returns from the utilization of public timber through secondary manufacturing and marketing of BC forest products.					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Develop and implement new international marketing initiatives	% increase in market share measured by Key Outcome Indicator — see page 22				

Core Business — Pricing and Selling Timber

Objective: Maintain access to export markets for British Columbia forest products					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Continue to pursue free access for British Columbia forest products to markets in the United States	Measured by Key Outcome Indicators — see page 22				

Objective: Ensure that the public receives fair value for the use of its forest and range resources now and in the future					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2003/04 Target**	**2003/04 Target**
Implement a market-based pricing system to generate appropriate revenues to the Crown	Status of implementation of the market based pricing system	Government decision on appropriate system	Implement	Implement	Implement

Objective: Provide opportunities to generate wealth from forest resources					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2003/04 Target**	**2003/04 Target**
Ensure that timber apportioned in TSA's is available to licensees through tenure	% of Timber Supply Area AAC under a form of tenure	95%	96%	97%	98%

Objective: Provide a reliable and safe forest road network through legislation, policy and standards					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2003/04 Target**	**2003/04 Target**
Maintain priority public use Forest Service Roads until 2005	Kilometres of Forest service roads maintained by the ministry to a public use standard	1,191	1,149	700	0

Objective: Increase First Nation participation in the forest sector and ensure forestry operations respect First Nation interests on the landbase					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2003/04 Target**	**2003/04 Target**
Negotiate consultation agreements with First Nations	# of agreements	47	64	74	85
Increase First Nations participation in the Forest Sector	# of tenures offered to First Nations	10	19	14	13

Core Business — BC Timber Sales

Objective: Make BC Timber Sales (previously the Small Business Forest Enterprise Program) more effective and put it on a commercial footing.					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Provide a credible reference point for costs and pricing of timber harvested from public land in BC	Average cost per cubic meter of volume sold	$13.34	$13.09	$12.42	$12.42
Generate the best possible revenue to the province, recognizing the above strategy	Net Revenue measured by Key Outcome Indicators — see page 22				
Provide opportunities for customers to purchase timber in an open and competitive market	% of BCTS volume advertised for sale	100%	100%	100%	100%
	% of sales refused	9%	2%	2%	2%
Meet or exceed all requirements of the *Forest and Range Practices Act*	Instances of significant non-compliance with the *Forest and Range Practices Act*	0	0	0	0

Core Business — Executive and Support Services

Objective: Ministry legislation will align with government and ministry policy direction					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Prepare legislation required to implement government and ministry policy	Number of key legislation documents prepared for Government approval	10	4	N/A	N/A

Objective: Be a leading edge forest sector employer.					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Implement succession planning and training to attract and retain highly qualified staff	Average number of training hours per year per employee	29	≥29	≥29	≥29
	% of critical positions with current competency profiles and succession plans in place	15%	50%	75%	100%
	% of staff satisfied with their employment with the ministry	54%	Exceed Baseline	Exceed Baseline	Exceed Baseline

Objective: Regularly assess the performance of the organization and incorporate a culture of efficiency and positive change to ensure achievement of our mandate.					
Strategy	**Performance Measures**	**2002/03 Target**	**2003/04 Target**	**2004/05 Target**	**2005/06 Target**
Fully implement an integrated performance management and budgeting framework in the ministry	% of corporate performance measure targets achieved	90%	95%	95%	95%
	% of expenditure targets achieved	100%	100%	100%	100%
Refine ministry business processes and practices to meet the highest standards of efficiency and effectiveness	% of business areas redesigned to align with the refocused mandate	50%	75%	100%	N/A
Maximize the benefits derived from the application of technology to ministry business	# of major client services available electronically	3	2	2	2

Consistency with Government Strategic Plan

The draft 2003/04 to 2005/06 Government Strategic Plan has been used to align the Ministry of Forests strategies, achievements and plans under the Government goals, objectives and strategies.

Goal 1: A Strong & Vibrant Provincial Economy:

The Ministry of Forests Revenue billing contributes an estimated $1.2 Billion to the Consolidated Revenue Fund annually, in support of all Government priorities.

Objective: BC will have a prosperous economy **Overall Strategy: Innovation and Economic Growth**			
Provincial Strategies	**Ministry of Forests Strategies**	**Achievement in 2002/03**	**2003/04 – 2005/06 Service Plan**
Develop and implement a long term economic development strategy	• Implement a market-based pricing system • Develop and implement new International marketing initiatives	• Government decisions on direction & legislation • Establishment of international marketing initiative under Forest Investment Account	• Implement market-based pricing system • Increase market share of BC wood products to Taiwan, China and Korea.
Expand partnerships with the federal government to promote growth and economic development in BC	Work with the federal government towards effective resolution of the Softwood Lumber dispute	Ongoing	Ongoing

Objective: Government will be affordable and fiscally responsible **Overall Strategy: Management of Government**			
Provincial Strategies	**Ministry of Forests Strategies**	**Achievement in 2002/03**	**2003/04 – 2005/06 Service Plan**
All ministries will meet their budget and service plan targets	Fully implement performance management and budgeting in the ministry	90% of performance measures were achieved 100% of budget targets were achieved	95% of performance measure targets to be achieved 100% of budget targets to be achieved

Provincial Strategies	Ministry of Forests Strategies	Achievement in 2002/03	2003/04 – 2005/06 Service Plan
Promote and sustain a renewed professional public service	Be a leading edge forest sector employer — Implement succession planning and training to attract and retain highly qualified staff	Average number of training hours per MOF employee exceeds the Provincial Government average by 50%	Maintain level of training; finish current competency profiles and succession plans for critical positions; survey staff to expand detailed HR plans.
Establish public-private partnerships or other alternative service delivery arrangements for capital infrastructure and program delivery	• New partnerships with forest industry to invest in timber supply analysis, research, forest health and fire protection.	• Forest Investment Account implemented • Consultations completed with industry	• Legislation requirements and implementation for timber supply analysis, forest health and fire protection activities
	• Establishment of partnerships with the private sector for management of Recreation infrastructure	• Consultations begun for recreation partnerships	• Partnerships established for recreation infrastructure
	• Nurseries to be privatized and seed orchards offered for lease.	• Preliminary work on privatization of nurseries • Seed Orchards were offered for lease	• Two ministry tree seed nurseries to be privatized

Goal 3: Safe Healthy Communities and a Sustainable Environment

The Ministry of Forests is responsible for the Government Key Measures and targets for "Forest Certification" and "Reforestation" that support this goal.

Objective: BC will practice sustainable resource development

Overall Strategy: Sustainable Resource Development

Provincial Strategies	Ministry of Forests Strategies	Achievement in 2002/03	2003/04 – 2005/06 Service Plan
Expedite economic development by increasing access to Crown resources	• Increase access for First Nations through offers of tenures • Work to establish consultation agreements with First Nations • BC Timber Sales will award access on a more competitive basis.	• 10 tenures offered to First Nations • 47 consultation agreements established with First Nations • BCTS Reform initiated	• Additional tenures to be offered to First Nations • Additional consultation agreements established with First Nations • BCTS Reform ongoing
Promote resource investment opportunities within and outside of British Columbia	Product development and new international marketing initiatives through the Forest Investment Account.	Product development and new international marketing initiatives programs established.	Product development and new international marketing initiatives through the Forest Investment Account.
Implement initiatives that improve economic development opportunities for First Nations	• Increase number of tenures offered to First Nations	• 10 tenures offered to First Nations	• Additional tenures offered to First Nations

Provincial Strategies	Ministry of Forests Strategies	Achievement in 2002/03	2003/04 – 2005/06 Service Plan
Develop partnerships with industry and other stakeholders to provide opportunities for more effective, efficient and innovate management of Crown resources	• Forest Investment Account partnerships • Implement a defined forest area management model for volume based licensees. • One plan approvals and greater reliance on professional and company accountability under new *Forest and Range Practices Act*	• Forest Investment Account (FIA) implemented • Legislation developed to enable the defined forest area management model • Introduction of the new *Forest and Range Practices Act*	• Forest Investments through FIA partnerships • Initial implementation of defined forest area management • Effective transition to the *Forest and Range Practices Act*
Maintain policies to ensure that Crown land and resource decisions are informed by First Nations interest	Work to establish consultation agreements with First Nations	47 consultation agreements established with First Nations	Additional consultation agreements established with First Nations

Objective: BC will have a healthy physical environment **Overall Strategy: Environmental Protection and Safety**			
Provincial Strategies	**Ministry of Forests Strategies**	**Achievement in 2002/03**	**2003/04 – 2005/06 Service Plan**
Implement a streamlined, science based, results oriented regulatory framework to protect human health and the environment	• Complete the transition to the new ***Forest and Range Practices Act*** • Invest in Research to promote science-based forest stewardship	• ***Forest and Range Practices Act*** introduced in Nov 2002 • Research investments by both the Forest Service and the Forest Investment Account	• ***Forest and Range Practices Act*** fully operational by March 2005 • The Forest Service and the Forest Investment Account will continue to fund focused research
Implement new outcome based legislation for mineral exploration and forest practices	• Promote compliance and effective enforcement	• Enforce ***Forest and Range Practices Act*** for forest and range management	• Continue to enforce ***Forest and Range Practices Act*** for forest and range management

Overall Strategy: Community Services and Infrastructure			
Provincial Strategies	**Ministry of Forests Strategies**	**Achievement in 2002/03**	**2003/04 – 2005/06 Service Plan**
Establish workable relationships with First Nations Communities	• Increase access for First Nations through offers of tenures • Work to establish consultation agreements with First Nations	• 10 tenures offered to First Nations • 47 consultation agreements established with First Nations	• Additional tenures to be offered to First Nations • Additional consultation agreements established with First Nations

Resource Summary

Core Businesses	2002/03 Restated Estimates[1]	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Operating Expenses ($000)				
Forest Protection	111,452	100,266	99,266	99,266
Stewardship of Forest Resources	69,518	50,882	45,352	45,352
Pricing and Selling Timber	81,307	70,600	60,699	60,699
Compliance and Enforcement	34,288	30,048	26,783	26,783
Executive and Support Services[2]	54,698	64,924	73,065	93,065
BC Timber Sales	124,019	138,179	131,179	132,179
Forest Investment	146,000	110,000	100,000	126,000
Totals	**621,282**	**564,899**	**536,344**	**583,344**
Full-time Equivalents (FTE)				
Forest Protection	626	626	626	626
Stewardship of Forest Resources	870	442	392	392
Pricing and Selling Timber	786	699	604	604
Compliance and Enforcement	376	317	300	300
Executive and Support Services	248	541	417	417
BC Timber Sales	560	441	441	441
Forest Investment	4	4	4	4
Totals	**3,470**	**3,070**	**2,784**	**2,784**
Ministry Capital Expenditures (Consolidated Revenue Fund) ($000)				
Forest Protection	2,980	2,430	2,430	2,430
Stewardship of Forest Resources	5,605	3,178	2,498	2,498
Pricing and Selling Timber	4,567	4,933	3,848	3,848
Compliance and Enforcement	1,951	2,366	1,911	1,911
Executive and Support Services (Note 1)	1,207	2,103	1,383	1,383
BC Timber Sales	1,010	680	990	990
Forest Investment	0	0	0	0
Totals	**17,320**	**15,690**	**13,060**	**13,060**

[1] These amounts have been restated, for comparative purposes only, to be consistent with the presentation of the 2003/04 *Estimates*. Schedule A, Consolidated Revenue Fund Expense, FTE and Capital Expenditure Reconciliations — 2002/03, of the *Estimates* presents a detailed reconciliation.

[2] Executive and Support Services has been realigned to include the office of the Minister of Forests, corporate governance, executive and executive support, regional and district management and funding to facilitate First Nation participation in the forest sector.

Core Businesses	2002/03 Restated Estimates[1]	2003/04 Estimates	2004/05 Plan	2005/06 Plan
Other Financing Transactions ($000)				
BC Timber Sales				
Receipts	—			
Disbursements (capital)	1,010	680	990	990
Disbursements (other)	6,880	34,610	49,055	41,683
Total Net Cash Source (Requirement)	**(7,890)**	**(35,290)**	**(50,045)**	**(42,673)**

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Summary of Related Planning Processes

Information Resource Management Plan

During the upcoming year, the more than fifty major computer applications which now support ministry operations will be replaced with a new suite of applications which conform better to the ministry's current business needs. Many of these new applications will have electronic commerce capability, and thus have the potential to significantly reduce the cost of doing business, both for the ministry and for the forest industry. It is expected that some of these new applications will allow users access to linked map and tabular data on the same computer screen. This has been a major goal for more than a decade, and will only be achieved with the help of the Ministry of Sustainable Resource Management, which is responsible for the provincial spatial data warehouse.

While this major development effort is ongoing, the ministry will also adopt centralized delivery of computer infrastructure and services. A number of ministry staff have been transferred to the Common Infrastructure Technology Services (CITS) Branch of the Ministry of Management Services, and new administrative arrangements are being developed. The ministry will be depending heavily on CITS for vital information technology services. These new arrangements must accommodate the significant reduction in size and number of the ministry's distributed offices.

As the ministry adopts new ways of doing business, principally results based forest management practices, there will be a need to train a large number of staff and forest industry participants. This training will be delivered and tracked electronically, thus reducing costs significantly while demonstrably improving effectiveness.

A major effort to conserve records in closing offices will continue through the year, as will efforts to conserve material left by departing employees. The increased number of litigation cases and Freedom of Information requests will make the adoption of new record management practices, including electronic record management, a high priority for the Forest Service.

Human Resource Management Plan

To meet the goal of being effective forest stewards the Forest Service will continue to implement its Human Resources (HR) Strategy.

The primary HR focus over the next year will continue be on Workforce Adjustment and Transition, with the peak period expected to occur and complete in the 2003/2004 fiscal year. While workforce adjustment will see us lose a significant portion of our employee base, we

will continue to remain a large organization with demanding HR requirements. Consequently, the following two years will see continued transition and a re-strengthening of our remaining workforce resources. This transition will also come at a time where a significant portion of ministry staff will begin to be eligible for retirement. Balancing these seemingly diametrically opposed priorities will require strong leadership and commitment to managing our human capital.

As the Forest Service continues to redefine its business we will focus on key core competencies and skill-sets that will be required by our employees to move the organization forward. We will complete the implementation of our new organizational structures that are required to support our goals and objectives. Change management training will continue to be a high priority to support managers, supervisors and employees through this time of change.

Creating capacity — looking at both the present and the future employee base continues to be key to our human resources sustainability. This will necessitate a strong emphasis on leadership development, employee learning and development, performance management, as well as utilizing the diversity of our employees to maximize productivity and effective program delivery.

Risk Management Plan

A formal comprehensive Risk Management Plan for the Ministry of Forest will not be developed until 2004/05.

However, Risk management principles have been operational in the ministry for many years in forest fire prevention and detection plans and more recently in the Provincial Bark Beetle Management Strategy. These plans manage risk associated with unforeseen emergencies from fire and bark beetles, and attempt to minimize and mitigate the potential increases to expenditure pressures associated with the emergencies.

The Ministry's Compliance and Enforcement program has introduced risk management inspection planning to ensure that the highest risk sites and operators receive priority inspections. These inspection plans seek to minimize and mitigate environmental risk, as well as the loss of revenue due to illegal activity. Recognizing that crime is subject to external factors encouraging or deterring crime that can never be eliminated, more focus on loss of revenue will be addressed in the expansion of future risk management plans.

Significant risks identified within MOF to achieving the objectives, strategies and performance measures in this Service Plan include:

- The nature and settlement of the Softwood lumber dispute and its impacts on return on investment, market access and revenues;

- The ability to move the substantial volume of business through the policy and legislative agenda, which will determine when market based pricing can be implemented;
- The ability of forest companies to undertake increased forest management responsibilities for timber supply analysis, which may impact AAC determination;
- The availability of workforce adjustment tools to achieve the required organization transformation; and,
- The successful integration with the governments Shared Services initiative and Human Resources agency.

Appendix 1 — Legislation

The main statutes for which the Forest Service has responsibility, and the expected changes in the Service Plan period, are as follows:

Forest and Range Practices Act and *Forest Practices Code Act of BC*

In November 2002, the ***Forest and Range Practices Act*** was introduced. By 2005, this act will completely replace the ***Forest Practices Code Act of British Columbia***. A series of regulations will provide for the transition between the two statutes. The new Act is intended to be less process oriented and more results specific.

Both Acts enable the Forest Service to:

- establish stewardship standards for forest and range practices,
- ensure that the legislated requirements for sustainable forest practices are followed,
- meet the requirements for higher-level plan objectives established through strategic planning, and
- carry out compliance and enforcement activities to ensure stewardship standards are met.

Forest Act

The ***Forest Act*** provides the Forest Service with the authority to:

- Determine an allowable annual cut for Crown land in each timber supply area and for each tree farm licence, woodlot licence and community forest agreement area.
- Enter into and administer agreements that authorise:
  — timber harvesting, generating revenue to the government, and
  — road construction, maintenance or use.

The major changes in the strategic direction of the Forest Service being incorporated into the ***Forest Act*** during the three-year Service Plan period, are:

- Move to defined forest area management;
- Implement a market-based pricing system to generate appropriate revenues to the government;
- Make the BC Timber Sales Program more effective and put it on a commercial footing.

Ministry of Forests Act

The ***Ministry of Forests Act*** is continued with minor amendments. This Act continues the Forest Service and provides it with a broad and general mandate to:

1. encourage maximum resource productivity,
2. manage resources responsibly to achieve the greatest short- and long-term social benefits,
3. practise planned, integrated resource management and use,
4. encourage a globally competitive forest industry, and
5. assert the financial interest of the government.

Range Act

The ***Range Act*** authorizes the Forest Service to allocate and administer the use of range resources by the livestock industry through grazing and hay-cutting agreements that provide revenue to the government.

The ***Range Act*** is continued with minor amendments.

Wildland Fire Act

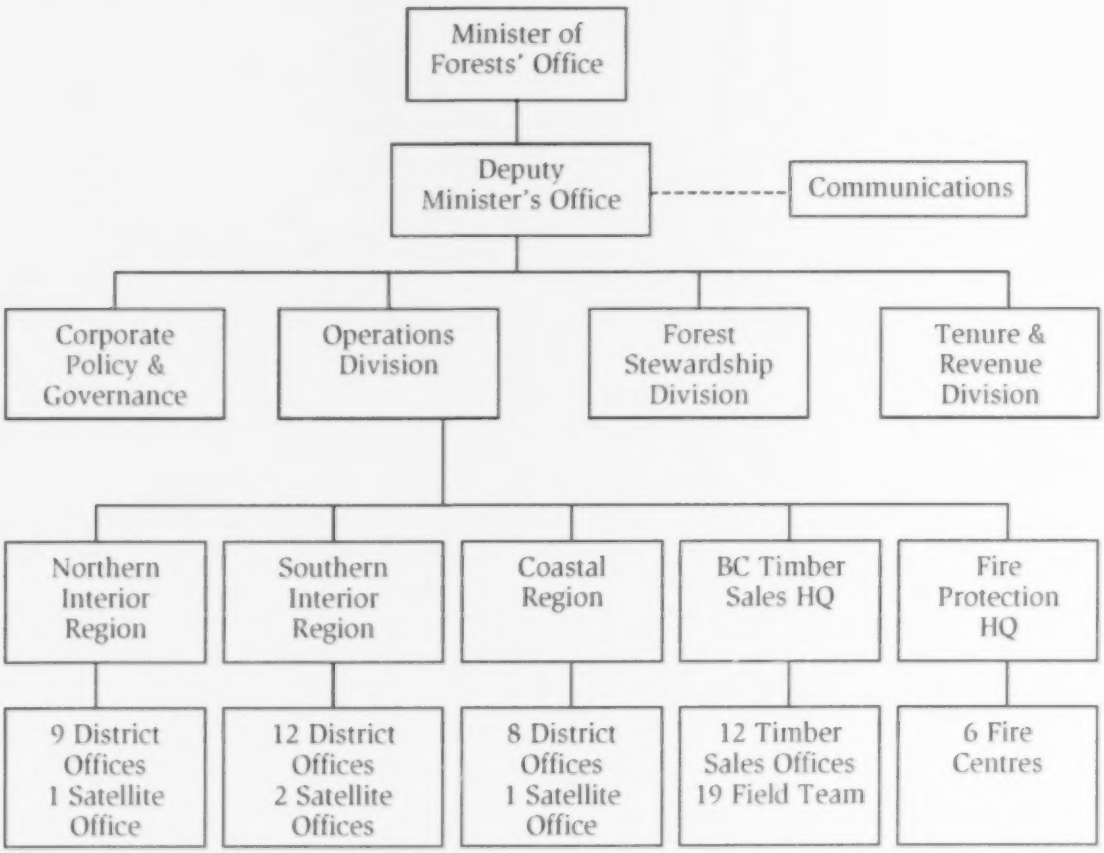
By January 2004 a new Wildland Fire Act will replace the protection provisions currently in the *Forest Practices Code of BC*. The new Act and regulations will be more results-based while providing greater regulatory freedom for the forest industry. The new Act will still ensure that government retains the authority to fight any fire that threatens forest resources and to restrict access, limit operations and requisition equipment and personnel in the event of significant fire activity.

Appendix 2 — Organization Structure

In response to its refocused mandate and resource reduction requirements, the ministry has undertaken a significant restructuring of its current organization. This restructuring will align available resources with the ministry's core business functions.

The Victoria headquarters structure will consist of the following major elements: Corporate Policy & Governance division, Operations division (Field Services and BC Timber Sales), Forest Stewardship division, Tenure and Revenue division, and Communications.

The field structure of the ministry will consist of the following major elements: three forest region offices with 29 forest district offices and 4 satellite offices; 12 BC Timber Sales offices; and 6 fire centres.



Appendix 3 — Indicator and Measure Descriptions

Key Outcome Indicators	Description
Area of provincial forest in millions of hectares	Provincial forest is the crown land in timber supply areas, woodlot licences and tree farm licences. *Data is from the AAC database updated Jan. 1 each year.*
Ratio of area reforested to area harvested or lost to fire and pest (unsalvageable losses, based on a 5-year rolling average)	Reforested includes planting or natural regeneration. Harvesting is by any method. Losses to fire and pest are unsalvageable. Net of plantation failures.
Total area (hectares) of Crown forest lost to unwanted wildfire annually on a 5-year rolling average	Unwanted wildfire is unplanned or accidental, with the potential to cause damage to or loss of timber, range or public resources.
% of annual harvest area with soil loss due to establishment of permanent access roads (based on a 5-year rolling average)	Identifies the amount of productive land in a harvest area (includes mature forest reserves) that is impacted by road construction. *Integrated Silviculture Information System.*
% of community watersheds with active logging for which watershed assessments have been completed	Watershed assessments are required before forest development within community watersheds under the *Forest Practices Code of BC Act.*
Area of forests > 140 years of age within the province in millions of hectares	The amount of old forests (> than 140 years) in British Columbia, including parks and protected areas.
Percentage of forest operators' compliance with standards that regulate forest practices	Forest operators include all major and small business licensees. *Compliance Information Management System.*
Crown Forest Revenue (gross revenue in billions)	The total amount of money charged by the ministry during the fiscal year. *Harvest Billing System.*
Net Revenue generated from BC Timber Sales to the Crown	Gross revenue from the *Harvest Billing System*, net of operating costs obtained from the *Corporate Accounting System.*
BC share of the US softwood lumber market	The US is BC's largest customer for softwood lumber. BC's share of the US softwood lumber market is determined from *AFPA statistics on US consumption and Statistics Canada data on BC and Canadian exports.*
BC share of Japan softwood lumber imports	Japan is BC's second largest softwood lumber customer. *Import volumes are published annually by the Japan Wood Products Information and Research Center.*

Key Outcome Indicators	Description
Increase in wood product sales to Taiwan, China and Korea	Data from Stats Canada reports of wood exports in dollars. China includes Hong Kong. This does not include pulp and paper.
Ratio of BC forest industry capital investment to depreciation and amortization	The ratio is designed to indicate the extent of new forest sector capital investment.
Percentage increase in forest land certified as managed sustainably by major forest certification processes	Major forest certification processes are the CSA, FSC and SFI. ISO is excluded.
Public Trust in the BC Forest Service	Public trust is measured in a telephone survey done by BC Stats. It is attributed to values, knowledge, and experience of the forest sector and BCFS.

Corporate Performance Measure	Description
Percentage of unwanted wildfire contained at less than four hectares, based on a 5-year rolling average	This is a measure of the ministry's success rate of initial attack on wildfire that is unplanned or accidental, and has poten al to cause damage to or loss of timber, range or public resources. *Data from Historical Fire Statistics Database.*
Percentage of Crown forest aerial surveyed for insect infestations	Annual province-wide aerial surveys are used to monitor forest disturbances caused by insects, diseases, animal and abiotic factors. The data is used to track damage trends, estimate impacts on forest resources, plan management activities strategically, and direct more detailed surveys.
Percentage of high priority bark beetle infestation sites treated	High priority sites present an opportunity to stop or reduce the rate of spread by treating through felling and burning, setting up pheromone trap trees, or other methods. By agreement with WLAP and MSRM, MOF is responsible for treatments in parks and protective areas.
Percentage of high priority areas treated to manage defoliator outbreaks	Includes Gypsy Moth and all other defoliators.
Status of the State of the Forests Report	This report will provide a periodic assessment of the state of BC forests, aligning with national criteria and indicators of sustainable forest management.
Number of completed effectiveness evaluations of the legislation.	Effectiveness evaluations are field reviews of the *Forest Practices Code of BC* and *Forest and Range Practices Act*.
Percentage of forestry deregulation achieved	The deregulation initiative is part of a *New Era* commitment to reduce unnecessary red tape and regulation by one-third within 3 years.

Corporate Performance Measure	Description
Percentage of timber supply allowable annual cut (AAC) determinations achieved by their scheduled deadline	The AAC for each TSA and TFL is reviewed and determined by the chief forester. This is a measure of the ministry's rate of success at achieving scheduled deadlines for AACs.
Client satisfaction with applied research completed by the Ministry	Clients are internal MOF clients, or client sponsors who will assess progress and effectiveness of research within project groups linked by similar objectives. The rating is determined by a survey of clients. Results from 2002/03 are published at: http://www.for.gov.bc.ca/research/
Percentage of timber supply areas under defined forest area management	Defined forest area management is where licensees collaborate on an area based forest management plan for the whole of a timber supply area.
Volume gain (cubic meters per year) from reforestation activities available in 65 years	Volume gain is calculated from the hectares brushed or planted and an average m3 per hectare from Growth and Yield tables. Only activities funded by the Forest Stand Management Fund are included.
Percentage of available crown range forage under a form of tenure	This is a measure of the effectiveness of the ministry's administration of range available for grazing or haycutting.
Number of Forest Service recreation sites and trails managed under partnership agreements	This measure identifies the number of sites and trails managed by private operators and associations under partnership agreements with the ministry. Sites include campgrounds, day-use areas, cabins and other recreation facilities.
% of high and very high priority sites inspected for forest and range practices compliance	Inspections, or site visits are targeted to very high and high priority sites where environmental, social and/or economic values have been identified as being at high risk. *Data from the Compliance Information Management System.*
% of high and very high priority inspections for pricing and revenue compliance	
Per cent of alleged compliance contraventions successfully concluded	Data is from compliance actions, managed in the *Compliance Information Management System.*
Per cent of alleged enforcement contraventions successfully concluded	Data is from enforcement actions, managed in the *Enforcement Reporting Application System.*
Per cent increase in provincial resource inventory information from FIA investments	Provincial resource inventories funded by FIA include ten different inventory types. Licensees collect this information.

Corporate Performance Measure	Description
Volume gain (cubic meters per year) of timber from all Forest Investment Account (FIA) funded land based and tree improvement activities to be available in 65 years	Tree improvement activities include those funded jointly by MOF and FIA. Volume gain from tree improvement is based on the quantity and the quality (genetic worth) of select seed used in planting. Volume gain from land based activities is calculated from the hectares brushed or planted and an average m3 per hectare from Growth and Yield tables.
Status of implementation of the market based pricing system	This implementation is subject to Cabinet decisions and the softwood lumber discussions.
Percentage of Timber Supply Area AAC under a form of tenure	This is a measure of the effectiveness of the ministry's apportionment of the AAC within a TSA to various programs, and its issuance of tenures under these programs. Tenures are issued under programs such as Forest License and for Community Forest Agreements. Tree farm Licences, woodlot licences and Tenures under the BCTS program are not included. *Data is from the Apportionment System*
Kilometers of Forest Service road maintained by the ministry to a public use standard	Forest Service roads that the District Manager is obligated to maintain. Excludes permitted or BCTS roads, closed roads and wilderness roads
Number of consultation agreements negotiated with First Nations	The ministry works to establish consultation agreements with First Nations to ensure that Crown land and resource decisions are informed by First Nations interests.
Number of tenures offered to First Nations	Under the *Forest Act*, the Minister may invite, without competition, applications from First Nations for a forest tenure. The invitation must be made in furtherance of an interim measures, treaty related measures, or economic measures agreement between the First Nation and the province.
Average BCTS cost per cubic meter of volume sold	Data by region from the *Corporate Accounting System* and BC Timber Sales Milestone reports
Per cent of BCTS volume advertised for sale	This is a measure of the volume advertised competitively to independent forest operators.
Per cent of BCTS sales refused	Data is from the Sale of Crown Timber Bid and Deposit records.
Instances of BCTS significant non-compliance	The BCTS Program must comply with all forest practices standards and regulation. Forest Practices Board audit results
Number of key legislation documents prepared for Government approval	The ministry prepares key legislation documents associated with forest policy changes and amendments to current legislation.

Corporate Performance Measure	Description
Average number of training hours per year per employee	Measures amount of time spent on training and commitment to employee development. *Calculated from Corporate HR Information & Payroll System (CHIPS).*
Per cent of critical positions with current competency profiles and succession plans	Measures and identifies level of capacity (subject matter and behavioural competencies) within the ministry for "critical" positions. Identifies gaps to address in succession plans. *Calculated from HR Strategic Database.*
Per cent of staff satisfied with their employment with the ministry	Measures overall level of organizational wellness and employee satisfaction with their employment in the ministry. *Calculated from annual Workplace Survey/ Questionnaire.*
Per cent of corporate performance measure targets achieved or substantially achieved	This is a summary measure of the ministry's overall performance. Excludes projections for key outcome indicators.
Per cent of expenditure targets achieved	Expenditure targets are assigned to the Assistant Deputy Minister for each Division. *Calculated based on reports from the Corporate Accounting System*
Per cent of business areas redesigned and implemented to support the refocused forest service mandate	Under the Continuous Improvement Initiative the ministry is implementing best practices and improving business processed.
Number of major client services available electronically	Electronic services are those provided to external clients via an internet link.

Appendix 4 — Glossary

Allowable Annual Cut (AAC) — The rate of timber harvest permitted each year from a specified area of land, usually expressed as cubic metres of wood per year.

Certification — The process of identifying forest products as those produced by organizations whose forest practices or management systems meet a set of defined voluntary certification standards, based upon independent assessments. Certification is intended to assure companies and consumers around the world that the forest products they purchase come from well-managed forests.

Core business area — A set of key functions with a common purpose related to the goals of the ministry

Corporate performance measures — Measurable factors of significant importance to the organization in achieving the strategic goals and objectives. A performance measure is a quantified, time specific measure used to indicate the degree of success the ministry has in achieving its goals, objectives and strategies.

Criteria and Indicators — A criterion is a category of conditions or processes by which sustainable forest management may be assessed. An indicator is a measure of an aspect of the criterion. Those used in Canada are generally based on the Montreal Process initiated in 1994. This was an international meeting where criteria and indicators for the conservation and sustainable management of temperate and boreal forests were developed and agreed to internationally.

Defined forest-area management — Changing the volume-based forest management regime prevalent throughout much of the province, to defined forest areas, managed with key attributes of area-based tenures (e.g., Tree Farm Licences).

Discretionary silviculture activities — Silviculture activities that are not required by legislation. These may include backlog reforestation, reforestation activities on some areas burned by wildfire, and brushing, spacing, fertilizing and pruning.

Forest and range assets — All the forest and range resources on Crown land, including the water, soil, bio-diversity, timber, forage, wildlife habitat, recreation, and scenic resources.

Full-time equivalent (FTE) — The equivalent of one person working 1,827 hours in one year.

Goals — Goals are the ends that the ministry wants to achieve in fulfilling its mandate and mission. Goals are long-range outcomes that guide an organization's efforts in moving towards a desired future state.

Industrial Use Forest Service Roads — are roads that are owned and operated by the ministry, but maintenance is delegated to an industrial user.

Key outcome indicators — Key outcome indicators, represent key results related to an organization's goals, but that are often not directly attributable to their business activities. Logic models are used to link outcomes to business activities.

Mission — Describes the reason for the ministry's existence. It defines what the ministry does, why it does it and for whom.

Objective — A broad time-phased accomplishment required to realize the successful completion of a strategic goal. Objectives are general statements about desired business area results.

Provincial Forest Land Base — Crown land designated by the *Forest Act* (Section 5) as under the direct jurisdiction of the Ministry of Forests. This is generally equivalent to the crown land area in TFL's, Woodlot Licences, and TSA's (excluding vacant crown land).

Public Use Forest Service Road maintenance standards — include user safety maintenance activities such as road surface maintenance and sight line brushing as well those activities required for the protection of the environment. User safety maintenance activities will be commensurate with the types of vehicles and pattern of use.

Strategies — Describe how implementing a specific set of activities will achieve an objective.

Sustainable Forest Management (SFM) — SFM, as defined by the Canadian Council of Forest Ministers is: "To maintain and enhance the long-term health of our forest ecosystems, for the benefit of all living things both nationally and globally, while providing for environmental, economic, social and cultural opportunities for the benefit of present and future generations."

Targets — Performance targets express pre-set quantifiable performance levels to be attained at a future date.

Tenures offered to First Nations — measures the number of invitations made under Bill 41 by the Minister of Forests. Bill 41 amended the *Forest Act* in 2002 to allow the Minister of Forests to invite, without competition, applications from First Nations for a forest tenure.

Timber Supply Area (TSA) — Land designated under the *Forest Act* that is managed for sustainable timber harvest, as determined by an allowable annual cut. There are currently 37 TSAs in BC.

Values — An expression of the ministry's core values and fundamental beliefs that inform the ministry's management style, organizational principles and rules of personal and organizational behaviour.

Vision — A clear, concise and compelling picture of the ministry's preferred future.

Watershed Assessment — a watershed assessment is required before a forest development plan is approved in a community watershed. It identifies the potential for cumulative hydrological effects (e.g., peak flows, hydrological recovery, sediment sources, channels and riparian condition) from past and proposed forest harvesting and road construction.

Wilderness Forest Road maintenance standards — include those activities required for the protection of the environment, activities do not include surface maintenance or site line brushing. As such, only bridge repair and those maintenance projects required to mitigate environmental problems, like mass wasting or washouts, which may impact residential or worker safety, improvements, or natural resources, will be carried out. Wilderness maintenance activities will include culvert and bridge removal, water-bars, partial or full pullback of side slopes and cross ditches.